

# City of Newport Beach SPECIAL EVENTS ADVISORY COMMITTEE Minutes - DRAFT

**Date:** March 26, 2012

**Time:** 3:30 pm

**Location:** OASIS Senior Center, Room 2

#### 1. Call to Order

### 2. Roll Call

# **Committee Members present:**

Dana Smith, Assistant City Manager/Chair

Paul Blank

Judy Brower

Jeff Cole

Janis Dinwiddie

Vicki Higgins

Marshall Topping

## Staff present:

Tara Finnigan, Public Information Manager

Michael Torres, Deputy City Attorney

Mary Locey, Public Information Specialist

Shirley Oborny, Executive Assistant to the City Manager

#### Guests present:

Len Bose

Marie Cammack

**Bob Cuyler** 

Diane Daruty

**Peagy Fort** 

Jeff Herdman

Bill Leach

Jim Mosher

Dan Purcell

Robert Rush

Mette Segerblom

Pilar Tellez

Tamara Thompson

### 3. Approval of Minutes

- May 31, 2011 The committee approved the minutes. Mr. Blank and Ms. Higgins abstained because they were not present at the May 31 meeting;
- June 9, 2011 The committee approved the minutes. Mr. Blank and Mr. Cole abstained because they were not present at the June 9 meeting;
- <u>June 16, 2011</u> The committee approved the minutes. Mr. Blank and Ms. Higgins abstained because they were not present at the June 16 meeting;
- <u>September 26, 2011</u> The committee approved the minutes. Mr. Blank and Ms. Brower abstained because they were not present at the September 26 meeting;

- October 24, 2011 The committee approved the minutes. Mr. Blank abstained because he was not present at the October 24 meeting;
- November 21, 2011 The approval of the minutes was continued to the next meeting because a page was missing from the agenda packet;
- <u>February 27, 2012</u> The committee approved the minutes. Ms. Higgins abstained because she was not present at the February 27 meeting.

# 4. Comments from the Public on Non-Agenda Items

- Mr. Mosher objected that he wasn't allowed to comment on the approval of the minutes before they were approved;
- Mr. Mosher referenced the last paragraph of Agenda Item 5.b of the November 21 minutes where the committee agreed to have Mr. Topping finalize the application and forward it to the rest of the committee for final approval. He said the public never got to see what the final application was and comment on it.
- Mr. Mosher said the minutes from November 21 meeting don't reflect the committee's discussion of the evaluation process. He said the scoring sheet distributed at the last meeting is completely different from anything he's heard the committee previously discuss. He doesn't see how the City Council's 10 points tie in to what's on the score sheet. He also thought there had been discussion on going back to the City Council to re-evaluate the criteria. He's wondering if that ever happened and how the scoring sheet was developed.
- Mr. Rush suggested that in the future, if the City Council makes verbal changes to the awards recommended by this committee, those changes are reflected in the summary to avoid the appearance of the recipients being overpaid.

#### 5. Applicant Interviews

Ms. Smith gave an overview of the process:

- The committee's individual scoring sheets would not be made public; however, all the scores of each committee member would be combined at the end of the second meeting resulting in a ranking that would be made public;
- Each organization would be given five minutes to speak, five minutes for Q & A and a few minutes for the committee to tally their scores;
- Public comment would be allowed before today's interviews, after the last interview is completed at the next meeting, and also at the beginning of the next meeting;

Mr. Torres reminded the committee members of the recusal process.

### Mr. Mosher's comments:

- public's input should be a part of the process;
- the Brown Act frowns on secret votes;
- the public could have been more engaged if the applications were made available online; instead they were available at the City Clerk's Office in a disorganized stack;

- he recommends failing the applications that didn't provide proof of their nonprofit status;
- the Pelican Coast event, which is a private, for profit event, should be evaluated differently than the rest.

Mr. Cole suggested the applications be made available at the Clerk's Office in a more user-friendly format, such as a binder with tabs.

# <u>Balboa Island Improvement Assoc. – Balboa Island Parade (Jeff Herdman)</u>

- Q. Mr. Cole asked if they are asking for the same amount as last year;
- A. Yes.
- Q. Mr. Cole asked what their budget is;
- A. \$12,758.
- Q. Mr. Cole asked what the economic benefit is;
- A. There are 3,000 to 4,000 people on Balboa Island in the morning. The restaurants are packed and the stores are busy. The Business Improvement District really gears up for that morning due to the increased business. They don't keep statistics on where the people come from.
- Q. Ms. Brower asked if people stay the night for the parade;
- A. There might be a small percentage of people that come from out of town.
- Q. Mr. Blank asked how the parade is publicized;
- A. There's a publicity chair person and a website.

# <u>Pelican Coast Events – Pacific Coast Triathlon (Bill Leach and Bob Cuyler)</u>

- Q. Mr. Topping asked if the event is still an Olympic qualifier;
- A. It rotates, it's not very often. The event is a national championship qualifier every five years. They are requesting more funds this year because four to five years ago their fees to the City were \$7,500 and now they're about \$25,000.
- Q. Mr. Cole asked for clarification on what their asking the City for;
- A. Because the fees have gone up, their ability to give funds to the Kiwanis is now less. They're asking for their costs to be covered.
- Q. Ms. Dinwiddie mentioned that the application indicates the funds requested would also be used for advertising;
- A. They wanted to do more advertising because the attendance and sponsorship have been declining. Not being allowed to have the race in the summer has hurt attendance.

#### Newport Mesa Spirit Run (Diane Daruty)

- Ms. Daruty distributed a highlighted budget and a brochure (attached).
- Q. Mr. Cole asked about the amount they are asking for;
- A. She's been urged to ask for the allowable amount, \$59,000, but what she thinks would be appropriate would be \$20,000 or \$25,000 which would make the City the

- Title Sponsor of the event. The City would also receive a much larger Expo space than a Title Sponsor.
- Q. Mr. Cole asked how much of the money that goes to the Newport-Mesa School District goes to Newport Beach schools;
- A. It varies from year to year. Last year a little more than half went to Newport Beach schools. She explained the formula the Board uses to give the funds:
  - schools that promote the race receive money equally;
  - schools that have little ability to fundraise receive some from the charity pool;
  - rewards are given to those that go over and above.
- Q. Mr. Topping asked for attendance of adults vs. kids;
- A. Out of the 2,000 attendees, half were kids, half were adults, half local and half from outside.
- Q. Ms. Brower asked if she thinks helping kids in the neighboring community become more educated benefits the City of Newport Beach;
- A. Yes. It's a district-wide event. It's a unique event because simply attending the event helps Newport Beach and its neighbor. It provides camaraderie within the district and school spirit.
- Q. Ms. Dinwiddie asked about the corporate salary of \$75,000;
- A. She felt it was appropriate to put an amount on the application. She's a CPA and she and her CFO are both attorneys and they work for free on this event. She works about six months out of the year and her CFO works about three months out of the year. She's the President, Race Director and does all the Marketing, PR and a lot of coaching. She listed a salary amount to show how much is invested in the race.

# <u>American Cancer Society – Relay for Life (Peggy Fort & Pilar Tellez)</u>

- Q. Mr. Cole asked about whether the Rider Program was a local program;
- A. Yes. There's an Orange County Region and each City's funds go to that region.
- Q. Mr. Topping asked about attendance;
- A. About 2,000 participants; a community party throughout the 24 hours.
- Q. Ms. Higgins asked if any of the requested funds would be used for police services;
- A. No, because it's contained within the high school.

#### Newport High Point Series (Len Bose and Pat Schumacher)

- Q. Mr. Cole asked if the event is just for yacht club members;
- A. Most of them are yacht club members and half of the participants are Newport Beach residents.
- Q. Mr. Cole asked what economic benefits there would be for the City;
- A. The boaters are using their boats and potentially using the restaurants, Vons Pavilions food, shippard use, etc.
- Q. Ms. Dinwiddie asked if the event will still occur if the City does not provide the \$1,200 to purchase the eight annual parking passes for the winning boat's crew;
- A. Yes. The event would still go on but the parking passes would not be purchased as prizes.

- Q. Mr. Topping asked how many boats will be involved;
- A. Hopefully about 40 boats in the event. All boats would be from Newport Beach.
- Q. Ms. Higgins asked what else besides writing about the event they could do to promote boating in the harbor;
- A. He's hoping with the incentive of racing for the parking passes, others will write about it in their newsletters as well.

# Newport Harbor High School PTA – Harbor Heritage Run (Mette Segerblom)

- Q. Mr. Cole asked when their budget would be available;
- A. She didn't have it yet; however, last year's budget was \$8,370.62 which included the City permit and Police staff (attached).
- Q. Mr. Cole asked if the event was still profitable last year even though the City gave \$2,100, not \$8,000;
- A. She said it was. They were able to find a sponsor for \$15,000; although last year's sponsor is not returning and they don't know at this time if they will be able to get another big sponsor.

## Susan G. Komen – Race for the Cure (Tamara Thompson & Marie Cammack)

- Q. Ms. Brower asked which organizations would receive donations;
- A. There's SOS, Pacific Island Community Center and about 13 others. Each grant is analyzed rigorously and they don't always receive everything they're asking for. The mission is to provide awareness, early detection and healthcare navigation. The grants are evaluated on how their services directly fulfill the Mission Statement. There's oversight on an ongoing basis where they physically go out and spot check the centers to make sure the money is managed properly.
- Q. Mr. Cole asked how much the City gave last year;
- A. The City gave \$10,000 which offset a portion of the City's services (\$20,000).
- Q. Mr. Cole asked about benefits that Newport Beach residents directly receive;
- A. Women who are underserved and under the age of 40 are eligible to go to local community clinics and receive diagnostic services. Once there is diagnosis they can be enrolled in the State program for treatment of breast cancer. In addition, 25% of the volunteers, participants in the race, or otherwise are from Newport Beach.

### 6. Next Meeting

The next meeting was scheduled for April 2, 2012.

#### 7. Adjournment

The meeting was adjourned at 5:35 p.m.

# **Newport-Mesa Spirit Run 2013**

# Projected Revenues and Expenses

(Items including any In-Kind donations are highlighted)

	Projected 2013
Revenues	
Expo revenues	6,500
Registration Fees	75,000
Sponsors (cash)	58,400
Sponsors (in kind)	126,700
Total projected revenues	266,600
Expenses (major categories)	
City of Newport Beach	13,000
Promotion/Marketing	42,000
Race Day expenses	36,000
Race Management/Timing Consultants	30,000
T-shirts	12,000
Medals	4,500
Prizes and family sponsor incentives	15,000
Corporate salaries	75,000
Other Overhead	<u>10,000</u>
Total projected expenses	237,500
Revenues less Expenses	29,100

Revenues less Expenses 29,100 (Projected amount (less small reserve for 2014 event) to be donated to Newport-Mesa Schools.

#### Revenue & Expense Categories - (amounts based on latest actuals as modified as discussed below)

#### Revenues

<u>Expo Revenues</u> - projected fees paid by sponsors and other vendors for a booth at the Spirit Run event day Expo in the Big Newport Cinema parking lot adjacent to the start/finish line (2012 event actual as of 2/15/12).

Registration Revenues - projected fees paid by registrants to participate in a Spirit Run race (based on estimate of 3000 participants at an average price of \$25 with prices ranging from \$20-\$45).

<u>Sponsor (cash)</u> - money paid by sponsors in return for marketing, advertising, and other benefits that the event provides them (does not include money, if any, to be donated by City)

Sponsor (in-kind) - non-cash donations of products or services in return for marketing, advertising, and other benefits that the event provides, (if sponsors). Value of in-kind sponsorship reflected as expenses below and includes \$15,000 in prizes, \$3,500 in gift cards for family sponsor incentives and other expenses, \$5,000 for rentals, \$28,200 in print and radio advertisments and other benefits, and \$75,000 in corporate salaries.

#### **Expenses**

<u>City of Newport Beach</u> - fees and permits for police, fire, city staff (estimate based on 2011 plus a less than 5% increase to be conservative)

<u>Promotion/Marketing</u> - amounts paid to promote the event as (1) printing brochures, posters, and postcards including the associated graphics, mailing and delivery costs; (2) graphics and placement fees for advertisements in the Daily Pilot, Independent, Race Place, and other community events and publications; and (3) Spirit Run website and email blasts including the associated graphics; and (4) radio spots and plugs, etc. \$42,000 includes \$28,200 in-kind donations (print/radio advertisements \$25,000, Fashion Island advertising \$2,500, radio tag by Fletcher Jones \$700.)

Race Day Expenses - amounts paid to vendors to run race day including the cost of (1) land use rental for Expo (donated by sponsor); (2) equipment rentals (e.g. restroom rentals, fencing, audio equipment, tables, pop-ups, linens, generators, and other expo equipment, etc.); (3) entertainment and other appearances (e.g., announcer, band, etc.); (3) security and medical personnel; and (4) disposal service.

<u>Race Management Consultants</u> - based on latest contract with consultants plus small increase. Consultants permit event with City and Health Department, manage event day logistics, and recruit and manage event day volunteers. Amount also includes payment to timing contractor which is based on 3000 participants.

<u>T-shirts</u> - amounts paid for registrant and volunteer t-shirts including graphic design costs, based on 3000 registrants.

<u>Medals</u> - amounts paid for youth finisher medals (approximately 2,500) and winners medals (i.e. 1st-3rd each race division) (approximately 250).

<u>Prizes and Family Sponsor Incentives</u> - value of prizes awarded to "winners" in each race (almost 150 winners) and gift cards for shopping and dining donated by sponsors and used as incentives for event family sponsorship program.

<u>Corporate Salaries</u> represent the donated value of services by CEO and CFO. Note that both individuals, in addition to the traditional CEO and CFO roles, also provide PR, Marketing, Administrative, etc., and all aspects of race management except for permitting and race day logistics that they delegate to the race management consultant and timing company.

Other Overhead - amounts paid for other administrative expenses including banking, postage, insurance, and legal fees. Amount based on latest actuals and estimates for legal and/or CPA fees associated with the 501(c)3 incorp.

# Harbor Heritage Run 2011 Financial Summary

INCOME	BU	BUDGET		ACTUAL		DIFFERENCE	
Anchor Corps	T		T				
Admirals (\$750-\$1,000)	\$	1,750.00	\$	2,500.00	\$	750.00	
Captains (\$500)	\$	4,000.00	\$	3,000.00	\$	(1,000.00)	
Lieutenants (\$250)	\$	3,000.00	\$	4,750.00	\$	1,750.00	
Sailors (\$100)	\$	1,000.00	\$	2,925.00	\$	1,925.00	
Tars (\$50)	\$	1,500.00	\$	850.00	\$	(650.00)	
Registrations	Ť	1,000.00	+	000.00	\$	(000.00)	
Race Fees	\$	19,000.00	\$	23,410.00	\$	4,410.00	
Donations	\$	250.00	\$	145.00	\$	(105.00)	
T-Shirts/Sweatshirts/totes	\$	500.00	\$	471.00	\$	(29.00)	
Notecards/RegisCash/Pub/Raffle	$\dashv$	000.00	\$	471.00	\$	(29.00)	
Sponsors	_		Ψ		\$		
Premier (\$10,000)	\$	10,000.00	\$	10,000.00	\$		
Official (\$5,000)	\$	10,000.00	\$	10,000.00	\$		
Associate (\$2,500)	\$	5,000.00	\$	5,000.00	\$		
Contributing (\$1,500)	\$	3,000.00	\$	4,500.00	\$	1,500.00	
Fields	\$	3,000.00	\$		\$		
Tields	Ψ		Φ	2,020.00	<b>D</b>	2,020.00	
TOTAL INCOME	\$	49,000.00	\$	E0 E74 00	_	40 574 00	
EXPENSES				59,571.00	\$	10,571.00	
		IDGET		CTUAL	_	FERENCE	
Art Contest Student Prizes	\$	175.00	\$	200.00	\$	(25.00)	
Awards for Runners	\$	150.00	\$	-	\$	150.00	
Banners	\$	1,000.00	\$	377.13	\$	622.87	
Brochure Distribution/Yard Signs	\$	600.00	\$	-	\$	600.00	
Brochure Printing/Brochure Flyers	\$	2,500.00	\$	1,358.45	\$	1,141.55	
Chairmen	\$	100.00	\$	2	\$	100.00	
City of Newport Beach	\$	8,500.00	\$	6,210.62	\$	2,289.38	
Course Management	\$	200.00	\$	190.87	\$	9.13	
Fields	\$	200.00	\$	532.37	\$	(332.37)	
Finish Line	\$	400.00	\$	374.76	\$	25.24	
Нуре	\$	400.00	\$	-	\$	400.00	
Insurance	\$	550.00	\$	550.00	\$	-	
Kathy Loper Events	\$	2,800.00	\$	2,838.07	\$	(38.07)	
Kids Classic	\$	100.00	\$	224.12	\$	(124.12)	
Mailing	\$	1,300.00	\$	308.15	\$	991.85	
Misc/POBox/Merch Fees	\$	500.00	\$	_	\$	500.00	
NMUSD/Custodian	\$	1,000.00	\$	879.48	\$	120.52	
Photos	\$	100.00	\$	-	\$	100.00	
Poster	\$	125.00	\$	_	\$	125.00	
Printing Letters	\$	1,400.00	\$	1,218.62	\$	181.38	
Publicity	\$	800.00	\$	500.00	\$	300.00	
Race Numbers	\$	500.00	\$	394.00	\$	106.00	
Registration Cash	\$	-			\$	-	
Secretary	\$	25.00			\$	25.00	
Signs	\$	200.00	\$	27.99	\$	172.01	
Sponsor Gifts	\$	500.00	\$	250.27	\$	249.73	
Student Prizes	\$	500.00	Ψ	200.21	\$	249.73	
Parking Lot Fee	\$				\$	243.13	
Team Prizes	\$	250.00	\$	500.00	\$	(250.00)	
T-Shirts/Sweatshirts	\$	5,000.00	\$		\$	(250.00)	
Website	\$		\$	4,939.09		60.91	
A A Choife	1.0	100.00	Φ	71.88	\$	28.12	
TOTAL EVDENCES	-	20.075.00	•	04.045.05	•	0.000.46	
TOTAL EXPENSES	\$	29,975.00	\$	21,945.87	\$	8,029.13	
NET INCOME		40.005.00	Φ.	07.005.15	_	10.000 15	
NET INCOME	\$	19,025.00	\$	37,625.13	\$	18,600.13	